

MASTER CERTIFICATES OF REASONABLE VALUE (MCRVs)

If you need assistance, please contact the Construction and Valuation Section at (254) 299-9634 or by e-mail at wacolgy.query@vba.va.gov. Our facsimile number is (254) 299-9663.

VA Regional Office
701 Clay
Waco TX 76799

A MINIMUM OF 5 LOTS ARE NEEDED TO ORDER A MASTER CRV

WHY CHOOSE A MASTER CRV?

- Builders will realize a significant cost savings under this program. Please consult page 4 for the amount of the appraisal fee.
- Lenders, builders, and sales personnel can calculate property value using the MCRV and the contract for prompt closing of the loan.
- The veteran will experience NO delays for the Department of Veterans Affairs (VA) to establish value.
- The builder or Realtor has the advantage of selling any plan and optional items on any lot selected by a purchaser.
- Veterans will know the value established by VA as soon as they are ready to contract, making processing easier for the lender, builder, and Realtor.
- Individual lot values are given to all lots.
- Change orders can be submitted on individual units or one change order which affects the entire panel.
- Lot value, basic plans, and optional equipment are subject to reconsideration during the validity period of the MCRV.

BUILDER APPROVAL

To verify that your approval is active, you can access <http://condopudbuilder.vba.va.gov>. If not, a builder's file for builders entering the VA Loan Guaranty program must be established by VA Loan Guaranty. You must complete and submit the following items:

1. Builder Information and Certification form should be completed on or attached to your letterhead.
2. VA Form 26-6791, VA Affirmative Marketing Certification.
3. VA Form 26-421, Equal Employment Opportunity Certification.

The above forms can be obtained from the Construction and Valuation Section (262) by submitting a written request for a builder's package. They can also be sent to you by email or downloaded from our website in the "forms" menu at <http://www.vba.va.gov/ro/south/waco/website/regofc.htm>.

DEFINITIONS

Master Certificate of Reasonable Value (VA Form 26-1843a): A schedule of reasonable value by the VA that covers one or more plan types and multiple lots (described air space for a condominium) in a development.

Master Certificate of Value Worksheet (VA Form 26-1843b): This form is completed by the Lender/Builder to describe to VA and the Fee Appraiser those lots to be included in the MCRV. It is also used to describe any optional items the builder may wish to offer for inclusion in the sales price. (See Exhibit B.)

Base Plan Type: Plans and specifications for a house including all features and equipment that are typically built in a house in the neighborhood market area or within the specific MCRV.

Example - A neighborhood market area has 50 sales of Plan 101.

Forty-five sales have 3 bedrooms, 2 baths, 2 car garage, fireplace, wood fence and sodded front yard. These features should be included in the base plan type for Plan 101 in this neighborhood market area.

Optional Items: Extra features or equipment selected by a purchaser to be added to the base plan type. The value, WHICH WILL BE ESTABLISHED BY VA, may be added to the Reasonable Value of the base plan type.

Example - Fifty houses sell in a neighborhood market area. Of the 50 houses, 20 purchasers selected a microwave and 30 purchasers did not select a microwave. The microwave should be an optional item in this neighborhood market area.

NOTE: Minor changes to the elevation may be considered an optional item.

Change Order: A request by a builder or seller for VA acceptance of changes in the approved plans and specifications. These changes may or may not involve changes to the value of the home. VA Form 26-1844, Request for Acceptance of Changes in Approved Drawings and Specifications, will be used for all change order requests. (See enclosed Exhibit F.)

Typical Lot: Those lots included in the MCRV that would command the equivalent value in the market area to the other lots in the MCRV.

Premium Lot: Those lots included in the MCRV that would command a higher market value than the typical lots in the MCRV due to size, location, or other attributes.

Upgrades: Real property items that are superior in quality to standard items. To receive value for upgrade items, it must be determined by the fee appraiser that the superior quality would warrant an increase in market value. Consideration is not given to the difference in cost between standard and upgraded items.

Primary Construction Program: The point in a construction project/subdivision where the initially planned units will be completed. Commonly termed "Phase I".

BEFORE YOU ORDER THE APPRAISAL

You need:

- Three sets of plans and specifications for each plan type (see enclosed Exhibit A.)
- Original and two copies of a completed VA Form 26-1834b, Master Certificate of Reasonable Value Worksheet. Be sure to follow the instructions printed on that form when completing both sides. (See enclosed Exhibit B which is a blank form and Exhibit C which is a sample form.)
- One plat of the development with the lots to be appraised highlighted.
- Original and two copies of a Building Program Statement that includes:
 - a. the total number of dwellings anticipated in the overall project
 - b. the total number of dwellings to be built in the project
 - c. number of dwellings contemplated in the primary phase, and anticipated starting and completion dates of that phase
 - d. arrangements regarding the construction, dedication and maintenance of streets and utilities
 - e. information regarding any special assessments to be assumed by the purchaser
 - f. a schedule of proposed sales prices for each type of dwelling structure and lot.

- If the MCRV is a condominium project, the subdivision must be approved by VA.
- Facsimile cover sheet to order a VA appraisal (see Exhibit C).

ORDERING THE APPRAISAL

1. Master appraisal orders are accepted by facsimile ONLY. Complete the information requested on the facsimile transmission form for Master Appraisal (see Exhibit D) and fax that with the Building Program Statement described above to (254)299-9663.
2. The appraiser and compliance inspector assignment will be made and returned to you by facsimile within 24 hours.
3. On receipt of the information from VA, insert the VA case number on VA Form 26-1834b, Master Certificate of Reasonable Value Worksheet. Forward the assignment letter (see enclosed Exhibit E) and all exhibits to the fee appraiser immediately.
4. The fee appraiser will complete the appraisal and submit the Master Appraisal to VA so the MCRV can be issued. The appraiser has 18 days to complete the assignment. VA will issue the Master CRV within 45 days from the date of the appraisal order.

CHANGES AFTER THE APPRAISAL IS DONE

Plan Type Additions - To add a plan type, complete an Appraisal Request, VA Form 26-1805, and submit it with three sets of certified plans and specifications to VA. Be sure to insert the MCRV case number in space one on the VA Form 26-1805. It is necessary to receive VA approval when adding a plan type to an MCRV.

Lot Additions - To add lots to an MCRV, complete a Master Certificate of Value Worksheet, VA Form 26-1843b, and submit it to the fee appraiser who completed the original MCRV appraisal. Be sure to insert the MCRV case number in the appropriate column on the worksheet. It is not necessary to receive prior VA approval when adding lots to an MCRV.

Adding Additional Optional Items - To add additional optional items to an MCRV, complete the MCRV Worksheet, VA Form 26-1843b, and send it to VA. Be sure to insert the MCRV case number in the appropriate column on the worksheet. NOTE: IF OPTIONAL ITEMS TOTAL MORE THAN 5 PERCENT OF THE BASE VALUE, VA WILL OBTAIN A STATEMENT FROM THE FEE APPRAISER THAT THE INCREASE IS SUPPORTED.

Reconsideration of Value - VA will not accept requests for reconsideration of value within the first 6 months of the validity period of the MCRV unless it is located in a rapidly fluctuating market. A written request for reconsideration of value can be made by any party of interest. The reconsideration will be processed in accordance with established VA guidelines. If an increase in value is justified, the value increase WILL NOT APPLY to sales for which previous contracts have been signed.

INSPECTIONS

The primary responsibilities of the VA compliance inspector are to verify all improvements are in accordance with the stamped and certified plans and specifications or change orders, and to verify construction meets or exceeds the VA requirements.

VA requires only a final compliance inspection on properties covered by a HUD-approved 10-year warranty plan. Three full inspections will be required at foundation, framing, and final stages if the property is not covered by an acceptable 10-year warranty plan.

The builder is responsible for notifying the compliance inspector that the property is ready for inspection. Inspectors are allowed 48 hours notice to complete inspections.

FEEES

		\$325 for existing construction	
Number of Plans	X	\$350 for proposed construction	= \$XXX.XX
		\$375 for condominium	
			PLUS
Number of Lots	X	\$10.00	= <u>\$XXX.XX</u>
		TOTAL	\$ XXX.XX

INSTRUCTIONS FOR LENDERS ON SUBMITTING THE LOAN PACKAGE FOR GUARANTY

- When submitting the loan for guaranty, the lender should use the individual case number assigned rather than the case number assigned to the entire Master CRV. That number should be on the MCRV you received or can be assigned on the Internet assignment system at <http://vaas.vba.va.gov>. In the Requester menu, select "Generate Loan Number Only". The case type for a unit from a master is "ONE".
- All CRV requirements must be furnished with each individual case.
- Lender to furnish clear VA final on proposed construction cases.
- Veteran cannot pay for compliance inspections.
- Veteran cannot pay for appraisal.
- Veteran can pay for survey for site location.
- Veteran cannot pay for surveys on condominiums without prior approval of VA

VA PROPOSED CONSTRUCTION CHECKLIST FOR MASTER CRV

THREE COMPLETE SETS OF PROPOSED CONSTRUCTION EXHIBITS MUST INCLUDE:

1. **SPECIFICATIONS (DESCRIPTION OF MATERIALS):**
 - A. ON VA FORM 26-1852 OR SIMILAR FORMAT
 - B. SIGNED AND DATED BY BUILDER IN ALL CASES AND B VETERAN IF UNDER CONTRACT
2. **PLOT PLAN** SHOWING ALL IMPROVEMENTS INCLUDING LOCATION OF THE WELL/SEPTIC SYSTEMS, IF APPLICABLE
3. **ALL EXTERIOR BUILDING ELEVATIONS**
4. **FOUNDATION OR BASEMENT PLAN**
5. **PLAN OF ALL FLOORS**
6. **SECTIONAL WALL DETAIL**
7. **PLAN CERTIFICATION:** VA WILL ACCEPT COMPLETED **HUD FORM 92541** IN LIEU OF BUILDER CERTIFICATION OF PLANS.

IF HUD FORM 92541 IS NOT INCLUDED, THE PLANS MUST BE CERTIFIED AS FOLLOWS BY A TECHNICALLY QUALIFIED AND PROPERLY IDENTIFIED INDIVIDUAL (SUCH AS BUILDER, ARCHITECT, ENGINEER, ETC.):

“I certify that the construction exhibits for (identification of the property by house type, lot, block, subdivision name, etc.) meet all local code requirements and are in substantial conformity with VA Minimum Property Requirements, including the energy conservation standards of the 1992 Council of American Building Officials’ Model Energy Code and the requirement for lead-free water piping.”

8. **BUILDER APPROVAL:** BUILDER MUST HAVE APPROVED VA IDENTIFICATION NUMBER
9. **REDUCED-SIZE EXHIBITS REQUIRED:** VA REQUIRES REDUCED-SIZE CONSTRUCTION DRAWINGS TO SAVE REPRODUCTION, MAILING AND STORAGE COSTS FOR ALL PARTIES INVOLVED. EXHIBITS TRADITIONALLY DRAWN AT ¼ INCH SCALE CAN BE PHOTOGRAPHICALLY REDUCED OR COMPUTER-DRAWN TO BE CLEARLY READABLE ON 8 ½ x 14 INCH SHEETS. ALL EXHIBITS MUST BE LEGIBLE.

FASIMILE TRANSMISSION TO WACO VA REGIONAL OFFICE FOR MCRV

FAX (254)299-9663 TELEPHONE (254)299-9634

PLEASE ORDER AN APPRAISAL FOR AN MCRV AND ISSUE A CASE NUMBER

Requester's Name and Address_____

Requester's telephone_____

Lender Identification Number_____

Builder Name_____

Builder Identification Number_____

City, county and zip code in which subdivision is

located_____

Name of project or development_____

Address of project or development_____

Is the subdivision a PUD or CONDO? ()Yes ()No

If a CONDO, how many units are included?_____ Is it VA approved?_____

How many plan types are there?_____

How many lots are there?_____

Will the properties be enrolled in a HUD-approved 10-year

warranty plan? ()Yes ()No If yes, name of warrantor_____

Attach transmittal letter which outlines the total number of dwellings anticipated in the overall project, and the Building Program Statement that includes:

- total number of dwellings to be built in the project
- number of dwellings contemplated in the primary phase, and anticipated starting and completion dates of that phase
- arrangements regarding the construction, dedication and maintenance of streets and utilities
- information regarding any special assessments to be assumed by the purchaser
- a schedule of proposed sales prices for each type of dwelling structure and lot.

EXHIBIT D

Appraiser Name and Address:

Ref: 349/262
VA#_____

You are hereby assigned to complete an appraisal for certain house types and lots described in the enclosed documents. Your final estimate of value should reflect a conclusion based on a thorough analysis of all applicable data.

We have calculated the fee in this case to be_____.

Your report is due in the VA office within 18 calendar days of the date you receive this assignment.

Your report should include the following:

a. An original and two copies of a fully completed Uniform Residential Appraisal Report (URAR) for each basic house type. The estimate of value should include a value for the BASIC LOT.

b. A complete narrative report in accordance with accepted appraisal technique. This narrative analysis should include, but not be limited to:

(1) Location of development and neighborhood analysis

(2) Topography, drainage, and general environment

(3) Facilities - Schools, churches, shopping, employment, recreation, and transportation

(4) Utilities

(5) Zoning and Restrictions

(6) Hazards - Flood, aircraft noise, unstable soil, etc.

(7) Cost Approach - Detailed description of cost approach, including source of data

(8) Land Value - Market data supporting final estimate of land value. If land sales are not available, the principle of abstraction may be used if demonstrated completely in your narrative report in a clear and concise manner to support and justify your valuation. Land value should be determined without regard to improvements such as landscaping, walks, and drives. These improvements should be valued separately.

EXHIBIT E

(9) Planned Unit Development - If the appraisal applies to a PUD or a subdivision with a mandatory Homeowners Association, comment must be made concerning the legal documents, the common area and any improvements, and the mandatory maintenance fees.

(10) Sales Comparison Analysis and Conclusions - A thorough analysis of current market data as it applies to this development. Sales in the subject development as well as adjoining development should be analyzed.

(11) Photographs - Photos of conditions as found during your appraisal are helpful to the appraisal reviewer.

c. A complete lot listing with your conclusions of land values for each lot. Care must be taken to separately value each lot according to size and desirability.

d. Optional items should be evaluated on a market comparison basis rather than a cost basis.

e. A certification listing those exhibits used in arriving at the value conclusions. A sample of the form of this certification is enclosed. This eliminates the need to stamp each exhibit.

f. Care must be taken to base your valuation only on the plans and specifications submitted to us by the builder. The model houses are not reliable for determining what will be delivered.

Sincerely yours,

REQUESTER

Enclosure (sample certification)

EXHIBIT E

SAMPLE

I hereby certify that the information contained in the exhibits identified below has been employed in arriving at the estimate of reasonable value noted in this report.

<u>ITEM</u>	<u>IDENTIFICATION</u>	<u>DATE</u>
1. Architectural Plans	Drawn by: Ace Jones	11-3-99
2. Description of Materials (VA Form 26-1852)	Signed by: Joe Builder	11-4-99
(a) Site and Grading Plan	Prepared by: Acme Engineering	11-7-99
(b) Heat Plans	Hot and Cold Heating	11-17-99
(c) Landscape Plan	Fastgrowing Nursery Company	11-20-99
(d) Roof Details Company	A, B, and C Roofing	11-30-99
3. Subdivision Plat	Prepared by: Acme Engineering	11-7-99
4. Declaration of Restrictions	Prepared by: Sol Attorney	04-17-99
5. Homeowners Association Documents		
Declaration Articles of Incorporation By Laws Proposed Budget	Joe Atkins	04-17-99
6. Specify Others		

EXHIBIT E

Request for Acceptance of Changes in Approved Drawings and Specifications

See Instructions and Conditions on Back

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0117 (exp. 5/31/95)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2502-0117), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

Property Address:	Case(s) No.:	Request No.:
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Mortgagee's Name & Address:	We request acceptance of the following changes in the approved drawings and specifications of the above numbered case or cases. We Request <input type="checkbox"/> We Do Not Request <input type="checkbox"/> an increase in the value and loan amounts if these changes warrant such an increase.
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Description:	Builder's Estimate of cost on each change	HUD/VA Estimate of effect on cost of each change

Borrower (If known):	Date:
Builder or Sponsor:	Date:
For Mortgagee:	Date:

Determination as to Acceptability:
☐ Changes Acceptable ☐ Changes Unacceptable ☐ Changes Acceptable, provided:

Endorsement to Certificate of Reasonable Value (for VA use only)

This endorsement takes precedence over and specifically amends the outstanding CRV for the property with the above identifying number. Any condition stated on the outstanding CRV, not specifically referred to and modified herein, remains in full force and effect until expiration of the validity period. Established reasonable value revised to \$

<input type="checkbox"/> Department of Veterans Affairs <input type="checkbox"/> Federal Housing Commissioner	Authorized Agent: DE <input type="checkbox"/>	I.D. Number:	Date:
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Instructions

The mortgagor in this request is defined as the owner or possible future owner of the property, whose interest in the property is evidenced by any written contract of sale, deed, receipt of down payment, letter or other instrument dated prior to the signing of this request by the builder or sponsor.

If acceptance by the VA is requested, the original and at least two copies of this form shall be submitted by the mortgagee. If acceptance by HUD is requested, the original and at least one copy of this form shall be submitted by the mortgagee. Upon determination as to acceptability of the request, the original will be returned to the mortgagee for transmittal to the builder or sponsor. If the request covers more than one case and mortgagors are unknown, submit one additional copy for each additional case.

Designate each requested change by a letter (using a, b, c, etc.). If additional space is necessary to properly describe the changes, use this side of the form or an attachment. Also, attach revised drawings and/or supporting descriptive data when necessary. State the amount by which the construction cost will be increased or decreased as the net result of each proposed change.

This request shall be signed by (1) the borrower, if any, (2) the builder or sponsor, and (3) the mortgagee. If the borrower, as defined above, is unknown, the builder or sponsor shall insert "Unknown" in the space for the mortgagor's signature and initial this insertion.

Builder accepts all risk for constructing change(s) prior to receiving HUD or VA acceptance.

Conditions of Acceptance

Acceptance of changes implies in no way that the mortgage insurance or certificate of reasonable value of the above case or cases will be increased when the net effect of all accepted changes is an increase in the total construction cost. Acceptance of changes is subject to the condition that inspection will show that all construction involved equals or exceeds the applicable HUD or VA Minimum Property Standards and all Local Codes and ordinances.

In accepting any changes it is assumed that they will be executed. If an accepted change is not executed, it must be nullified by submitting another copy of this form amending the construction exhibits so as to restore the drawings and specifications to the status existing prior to acceptance of the change or to a modification of such prior existing status as may be specified.

